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UNCLAS BUCHAREST 000854

SENSITIVE, SIPDIS

STATE FOR PM/DTCC - BLUE LANTERN COORDINATOR

E.O. 12958: N/A

TAGS: [ETTC](#) [KOMC](#) [AJ](#) [RO](#)

SUBJECT: BLUE LANTERN LEVEL 3: PRE-LICENSE END-USE CHECK
ON APPLICATION 050201153

REF.: STATE 120913

Sensitive But Unclassified; not for Internet distribution.

¶1. (U) This message is a response to reftel inquiry regarding End-Use Check on Application 050201153 and the bona fides of Foreign Consignee Aerostar S.A.

¶2. (SBU) Reporting Officer (RO) raised subject companies with Romanian authorities, including with the National Export Control Agency (ANCEX) of the Ministry of Foreign Affairs that has primary government oversight for licensing imports and exports of U.S. Munitions List (USML) items. ANCEX is familiar with the company, and Aerostar is authorized for the importation and exportation of the military goods. RO also discussed the company's reliability as a recipient of USML items with Laurentiu Pascal, Director Commercial & Logistics at Aerostar, by telephone and e-mail. A site visit was not conducted.

¶3. (SBU) Aerostar would like to clarify that, while the serial number is correct, they are in possession of an IFF Interrogator type Model 57, not a Model 57 IFF Transponder. This equipment is the property of Elbit Systems and has only been loaned to Aerostar for their use in the production of equipment to be used to upgrade Azerbaijani Air Force ground radar systems.

¶4. (SBU) The following responds to questions raised in reftel on Application 050201153:

Q: Does this company serve as a broker of USML articles with any countries besides Romania and Azerbaijan? If so, where? If the company has offices abroad, where are they located?

A: Aerostar does not routinely serve as a broker of USML articles for any country other than Romania. The company does not have offices abroad; it is located only in Romania.

Q: Has this company ever used any other names?

A: The Company has used the names URA (Uzina de Reparatii Avioane - Aircraft Repair Plant), IRAV (Intreprinderea de Reparatii Avioane - Aircraft Repair Enterprise), IAV (Intreprinderea de Avioane - Aircraft Enterprise), and since 1991, AEROSTAR S.A.

Q: How long has the company been in the business of importing and selling defense articles?

A: The company began as an organ of the Communist Romanian Socialist Republic in 1953. It has always been involved in the production of defense articles and in aircraft repair.

Q: What other products are sold by this company?

A: Aerostar is involved in the maintenance, repair, overhaul and upgrade of civil and military aircraft and aero engines; the design and manufacturing of light and sport airplanes and of subassemblies for aircraft construction; ground defense integration (including the manufacture of brigade/battalion/battery command posts, artillery forward observer (reconnaissance post), upper air sounding station and logistic vehicles); avionics and electronics systems integration; chemical and electrochemical coatings; painting and heat treatments; civil applications of jet engines such as thermal decontamination or fire fighting in oil industry; and the production of liquefied petroleum gas cylinders.

Q: How long has this company been involved in business operations with the Government of Azerbaijan; do you have a regular business relationship with Azerbaijan?

A: Aerostar has not previously had regular business with the Government of Azerbaijan.

Q: Does the company have proper supporting documentation from the Azerbaijan MOD for the proposed transaction?

A: Elbit, Aerostar and Azerbaijani Air Force signed an EUC that was delivered to Raytheon, and included a temporary transaction for one Model 57 IFF to Aerostar for integration purposes with the ground IFF system at Aerostar facilities. Aerostar also received a TAA from Raytheon through Elbit.

Q: Does the company understand the restrictions against the unauthorized re-export or retransfer of U.S.-origin defense articles?

A: Aerostar understands the restrictions against the unauthorized re-export or retransfer of U.S.-origin defense articles.

15. (U) This report concludes the pre-license check on application 1050120369. Blue Lantern POC is Political Military Officer Timothy Peltier. Contact information: 40 (21) 200-3425; PeltierTE@state.gov (unclass); PeltierTE@state.sgov.gov (class).

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